

November 2005

Book Review: The Promise and Peril of International Trade by Jeff Colgan

Kema Irogbe

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Recommended Citation

Irogbe, Kema (2005) "Book Review: The Promise and Peril of International Trade by Jeff Colgan," *Journal of Political Science*: Vol. 33 : No. 1 , Article 11.

Available at: <https://digitalcommons.coastal.edu/jops/vol33/iss1/11>

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its scope, suffers from the lack of a "social ontology." Such a social ontology one can find in Sartre's *Critique of Dialectical Reason*, or Sandel's and Taylor's communitarianism, or the compelling critique of totality in Levinas's "metaphysics of the face." How are groups forged, sustained, and legitimated without violence and a pledged oath, unless one allows for a break with totality through the acknowledgment of Infinity, itself a call for authentic solidarity? Does not Wolin succumb ultimately to an "angelism," aspiring for a non-historical, unrealizable perfect equality and freedom, woven into a "true generality"?

Notwithstanding this critical assessment, it must be said that Wolin's reading of the history of political thought is vast, his erudition is compelling, his depth of understanding the canon is remarkable, and his articulation of his own vision of citizenship and participatory democracy demands to be addressed by serious students of political philosophy. For this achievement we are indeed in the debt of Sheldon Wolin's monumental tome.

Joseph Pappin III

Continuing Education Academic Credit Programs, University of South Carolina

Jeff Colgan, *The Promise and Peril of International Trade* (Peterborough, Ontario: Broadview Press, 2005). 247 pp.

The debate about international trade and globalization is timely. While the proponents of globalization argue that free trade is contributing to rapid economic prosperity, reduction of poverty and improvement of lives of the vast majority, the opponents contend that current international trade is accentuating social injustice, economic hardship, and environmental degradation to small economies. In *The Promise and Peril of International*

Trade, Jeff Colgan, a Canadian economist, offers what he believes is an alternative perspective on the raging debate by essentially arguing that there is a common ground for advocates of trade liberalization and anti-globalists. He divides international trade into three general types: "restricted trade" occurs when tariffs are high and a country is being protectionist, "unbridled free trade" occurs when a national government agrees to use a minimum of tariffs, subsidies and regulations, and "managed free trade" occurs when the use of other economic tools to influence the market economy, such as government subsidies to local industries or regulations on environmental impact, are not ruled out. The thrust of his argument is that of these three types of international trade, "managed free trade" holds enormous promise for revitalizing global economy, providing everyone, including the global poor, with an opportunity to improve their standard of living.

Drawing from the experience of Canadian membership in the World Trade Organization (WTO) and North American Free Trade Agreement (NAFTA) as a case study, the author assails the anti-globalists and the advocates of trade liberalization as being myopic. Pointing to the "dangers of protestor mentality," he says the anti-globalists' predictions that free trade would cause unemployment, destroy social programs and contribute to corporate monopoly in Canada has not occurred; rather, the reverse is marginally the case. Yet, the author notes with dismay how free trade perpetuates inequality, the risks of specialization, brain drain, destruction of arts and environmental degradation. While most Canadians believe that multinational corporations benefit more from international trade than their own family, the advocates of free trade make no apologies for the gross inequality. They arrogantly state that as long as everyone benefits from free trade at least a little bit, there is no cause for alarm. The market promises nothing about "fairness" (96).

Dispelling the theory that comparative advantage offers economic growth to a country, the author aptly asserts that it contributes to specialization and short term gains, but, in the long run, fosters dependency. A great many of the underdeveloped countries, where manufactured goods are imported and raw materials are exported, can attest to this claim. Noting that free trade exacerbates brain drain and brain gain in Canada, the author alludes to the presence of some skilled immigrants arriving mostly from the underdeveloped countries into Canada every year and the pool of highly educated and trained émigrés leaving Canada for the United States and elsewhere; however, he ignores the asymmetric relationships between the developed and the underdeveloped countries. The fact is that, due to lack of industrial base and basic infrastructure, there is brain drain in the peripheral countries but not brain gain. That situation accentuates economic underdevelopment. According to the author, for decades the Canadian government labored to protect its homegrown magazine industry from American competition because it reflects its culture. But that industry was unable to compete with American cultural exports, particularly Hollywood. The result is that American hegemony not only undermines the economic promise of globalization to provide consumers with more choice in the products they want, but also works to undermine and degrade the distinctive cultures of different countries. A country's cultural heritage reflects its history, faith and value system.

Although the author has mixed feelings on the colossal environmental damage caused by multinational corporations under the guise of free trade, he provides some compelling evidence, such as the case of NAFTA and Mexican Maquiladoras, where a number of global corporations failed to provide infrastructure for handling wastes and residues, thereby causing deplorable environmental conditions. In spite of many of these shortcomings generated and/or accelerated by free trade and

globalization, the author believes that Canada, with its small economy, can gain more from the WTO and NAFTA if constructively "managed free trade" is pursued; he suggests further that other underdeveloped countries with comparable economies can profit from the apostleship of "managed free trade." He ordains his prescribed alternative to free trade and globalization by invoking: "Better to light a candle than to curse the darkness" (20). It is here where some of my major concerns lie.

One major problem with the study is that after providing some compelling empirical data to support the arguments of the anti-globalists, culminating in the inability of the Canadian government to effectively advance its interests in both NAFTA and WTO due to United States politico-economic hegemony, the author ends up reproducing the very contradiction that he seeks to overcome. "Managed free trade" as an alternative solution is nothing but a subtle term for protectionist measures which have been unsuccessfully used against the United States by Canada in the recent past. It is a tit-for-tat solution that can only aggravate trade relations between the two countries. In short, as the least developed country among the Group of Seven—the United States, Germany, Japan, Britain, France, Italy and Canada—and given its proximity to the United States, Canada is likely to maintain its *status quo* junior partner rather than *status novus* in the foreseeable future, unless its politico-economic ties to the United States are sharply curtailed. A trade between two unequal partners inevitably benefits the stronger more than the weaker partner.

It would be worse to apply "managed free trade" as a solution to the underdeveloped countries' engagement in international trade. Unlike Canada, the historical experiences of free trade in underdeveloped countries like Nigeria, Chile, Argentina, Zambia and others identified in Colgan's study are somewhat different. Post-colonial economies were structured to depend on foreign

markets, technology, culture and supplies; foreign investors were and are still given a dominant location and role in the economies; and the production and export of a narrow range of cash crops to the centers of world capitalism dominated external economic relations. To facilitate the siphoning of capital from the peripheral economies, the indigenous elites were elevated or catapulted to play but a subordinate role. Furthermore, colonialism ensured, through administrative, political, fiscal and other controls, the structured incorporation of the underdeveloped countries' economies into an unequal, exploitative and very hostile international division of labor. Most underdeveloped countries are still suppliers of raw materials and importers of manufactured goods because they inherited disarticulated colonial economies, i.e., economies without forward and backward linkages. With this backdrop, it is difficult to see how "managed free trade" is a panacea. Indeed, it would not be an exaggeration to argue that the underdeveloped countries have yet to extricate themselves from the contradictions, limitations and constraints imposed on them during the colonial era. Some might ask: How about the "Asian Tigers," sometimes also referred to as "Asia's Four Little Dragons"—Singapore, South Korea, Hong Kong and Taiwan—that have overcome their colonial past and have achieved rapid industrialization and economic growth between the 1960s and 1990s? The fact is that the "Asian Tigers" did so not through the invincible hands of free trade or the "managed free trade" that the author recommends, but by taking some protectionist or interventionist measures for their homegrown industries against the infiltrations of the Western multinational corporations. Additionally, the intellectuals and the pool of skillful laborers in the countries of the "Asian Tigers" must be applauded for their commitment to nationalism. Unlike African and Latin American countries, the "Asian Tigers" did not experience a brain drain that undermines economic development.

Nonetheless, *The Promise and Peril of Free Trade* is a genuine attempt to find a conspicuous and permanent solution to the polarizing and intense debate between the anti-globalists and the advocates of free trade. But the author's solution of "managed free trade" can only generate and/or accentuate the very contradiction he seeks to address. However, his recommendation for a new framework for free trade and globalization which includes, among other things, social justice is commendable. But how will this social justice be achieved? While it appears that the solution lies between the willingness of countries with large economies to compromise and the determination of countries with small economies to resist the bullies, what is needed meanwhile for ameliorating the conditions of small economies is an emphasis on bilateral, multilateral and/or regional rather than global trade between and among the countries with small economies. Anything else is sophistry.

Kema Irogbe
Claflin University